



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

25 FEB 1998

MEMORANDUM FOR ALMAJCOM/SV

FROM: HQ USAF/ILV
1770 Air Force Pentagon
Washington DC 20330-1770

SUBJECT: Veterinary Clinics and Private Animal Care Funds

An issue has developed between Air Force Services and the Army Veterinary Services regarding nonappropriated fund (NAF) profit goals for Veterinary Treatment Facilities (VTFs) on Air Force installations. VTFs are not Services activities, but conduct a medical mission with a NAF account that is fiscally administered by Services. Operational control of the VTF, to include determining hours of operation, supervising NAF employees, setting prices, inventory control, and other policy matters, remains with the Army Veterinary Corps Officer-in-Charge.

AFI 48-131, *Veterinary Health Services*, states that the private animal care activity is to be "self-supporting." In this regard, we must ensure this activity covers its own costs, to include repair and replacement of NAF equipment. However, establishing unrealistically high or excessive profit goals for VTFs could strain our close and long-standing relationship with the Army Veterinary Services. With this in mind, request that you not mandate net income after depreciation (NIAD) profit goals of greater than two percent for Veterinary Treatment Facilities.

Please ensure this letter receives widest dissemination. Direct questions to Ms. Cathy Edmonds, HQ AFSVA/SVPCO, DSN 487-4198.


MICHAEL J. KELLY, Colonel, USAF
Deputy Director of Services
DCS/Installations & Logistics

cc: HQ AFSVA/SVP
USA VETCOM